

# WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES MARCH 2002



State of Wisconsin  
Department of Workforce Development

## Unemployment Rates up Over the Month

All three counties in the Southeast WDA experienced increases in their not seasonally adjusted unemployment rates. While February is usually one of the months of the year that sees the highest unemployment rate, if not the highest, this year's February rates are exceptionally high. These hikes in unemployment are puzzling and understandable at the same time. They are understandable that at this time of year many seasonally affected industries such as construction and manufacturing activity (even in the best of times) can slow down considerably. But the labor figures are puzzling for two reasons: 1) news of national economic recovery and 2) the number of jobs in the Southeast WDA increased over the month. Despite the seasonal expectations of higher unemployment, it is possible that the exceptionally high unemployment rates are the result of those re-entering the labor market upon noticing glimpses of the economic turnaround. At this time they are captured as unemployed in the survey as they venture for work. Previously, if they were not seeking a job within the last 30 days they were not considered in the labor force-not even as unemployed.

The **Walworth County** unemployment rate jumped up to 6.1 percent in February; up nine-tenths of a point over the month and 1.7 percent points over the year. A rate of around four percent is typical for this month given the last decade timeframe. Walworth saw 790 join the labor force over the month, for a 1.4 percent increase; fairly large for a monthly gain. The number of unemployed increased sharply by 510, outpacing the growth of newly employed which numbered 280.

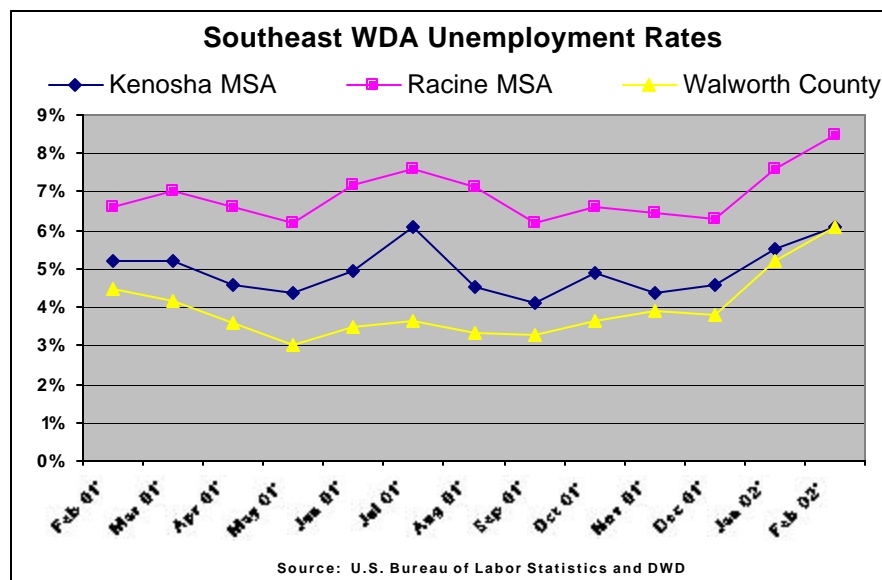
Walworth's Industry figures show 350 more jobs over the month. These jobs were centered in government and finance, insurance and real estate. The remaining industries lost slightly over the month. Government received the biggest employment boost, most likely in later January within the school systems' employment, but is reported in the February figures. March should see a slight pick up in trade and ser-

vices employment as the spring and summer months will boost Walworth's employment figures to its typical seasonal highs.

The **Kenosha MSA** not seasonally adjusted unemployment rate increased six-tenths of a point over the month to 6.1 percent. The labor force show 120 fewer employed and 480 more unemployed over the month. February's rate is nine-tenths of a point higher than last February. The 1991-2001 period shows an average February unemployment rate of 5.0 percent and it should be noted that the last time the rate for February was this high was the 6.2 percent registered in 1994. Seasonal patterns in the past have usually shown a monthly decrease in the number of unemployed from January to February, but this month shows that occasional increase in this time period as many have re-entered the labor force, albeit on the unemployed side of the equation until they find work.

Kenosha's industry performance is truly mixed over the month. Manufacturing suffered a monthly loss, which is not exactly reflective of the 800+ job gain experienced last year between January and February. But usually it is typical to see employment dips in manufacturing between these months. Kenosha, for all of the bad manufacturing news one hears,

has been relatively resilient through these tough times over the last 15 months or so exhibiting job stability in most industries. Services and government employment picked up over 700 jobs combined since January, offsetting the expected seasonal losses in construction employment and the subdued retail trade employment.



Kenosha's over the year industry data are a little perplexing as well, but are explainable. The number of jobs apparently decreased by 1,170, net, from the same time last year, especially weighted by a 1,480 job drop in manufacturing. This overall drop seems to contradict the better employment news that Kenosha experienced in the last few months of 2001. The answer: January to February of 2001 figures showed an extreme, yet, short lived increase in manufacturing employ-

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ment when a slight decrease is typically expected. This inflates this years perspective (loss) when the usual seasonal pattern has taken place.

The **Racine MSA** not seasonally adjusted unemployment rate is 8.5 percent, which is up nine-tenths of a point from January and 1.9 percent points from February 2001. This is the highest (not adjusted) unemployment rate for the county since January of 1992 which also was 8.5 percent. Typically, the rate stands at 5.8 percent for February, given the 1990-2000 time period. The change in the number of employed and unemployed and the rise in the unemployment rate is reasonably close to the monthly change experienced last year for this month.

The industry data show that most major sectors lost employment totaling 190 fewer jobs, net, over the month. Services and government employment combined for a 340 job gain. February is a

“slow” month in Wisconsin and Racine County typically expects to see sharp drops in retail trade and construction employment and flat wholesale trade employment in February and it did. Of course, manufacturing continues to be sluggish losing 60 jobs, not the worst monthly loss, but a loss nonetheless.

The annual perspective, though, definitively shows the softening in Racine as there are 290 fewer jobs considering all industries. The most poignant factor is that the net loss is centered in only two major industries, manufacturing (-1,430 jobs) and wholesale trade (-100 jobs). Excluding these losses then Racine County gained 1,250 jobs, which shows how dramatic the manufacturing slowdown has affected not only Racine County and City, but the surrounding counties as well.. Finance, insurance and real estate employment remained unchanged over the year.

February 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
<b>Civilian Labor Force*</b>	3,050,059	83,556	94,465	53,976	231,997	49,494	39,340
Persons Employed	2,846,100	78,480	86,423	50,663	215,566	45,891	34,541
Persons Unemployed	203,959	5,076	8,042	3,313	16,431	3,603	4,799
Unemployment Rate	6.7%	6.1%	8.5%	6.1%	7.1%	7.3%	12.2%
<b>Total jobs of all non-farm industries**</b>	2,759,171	53,978	79,455	39,867	173,300		
<b>Goods Producing Jobs</b>	675,732	14,166	24,287	10,771	49,224		
<b>Service Producing Jobs</b>	2,083,439	39,812	55,168	29,096	124,076		
Construction & Mining	108,065	2,674	3,147	1,642	7,463		
All Manufacturing	567,667	11,492	21,140	9,129	41,761		
Transportation, Communications & Public Utilities	131,498	2,088	2,480	1,594	6,162		
Wholesale Trade	135,100	2,472	3,288	1,457	7,217		
Retail Trade	490,681	10,987	14,274	7,299	32,560		
Finance, Insurance, and Real Estate	150,431	1,365	2,344	1,299	5,008		
Services	761,099	13,902	22,429	10,132	46,463		
All Government	414,630	8,998	10,353	7,315	26,666		
<b>Change from January 2002</b>							
<b>Civilian Labor Force*</b>	21,930	370	360	790	1,510	240	130
Persons Employed	-4,960	-120	-530	280	-380	-70	-210
Persons Unemployed	26,890	480	890	510	1,890	300	340
Unemployment Rate	0.8%	0.6%	0.9%	0.9%	0.8%	0.6%	0.8%
<b>Total jobs of all non-farm industries**</b>	6,300	150	-190	350	310		
<b>Goods Producing Jobs</b>	-4,380	-390	-320	-110	-820		
<b>Service Producing Jobs</b>	10,680	540	130	460	1,130		
Construction & Mining	-2,240	-120	-270	-30	-410		
All Manufacturing	-2,140	-280	-60	-80	-410		
Transportation, Communications & Public Utilities (TCPU)	-380	0	-30	-20	-40		
Wholesale Trade	-250	-40	-50	0	-90		
Retail Trade	-5,920	-150	-120	-50	-320		
Finance, Insurance, and Real Estate (FIRE)	-140	10	-20	70	70		
Services	5,170	390	250	-40	600		
All Government	12,200	330	90	500	910		
<b>Change from February 2001</b>							
<b>Civilian Labor Force*</b>	93,370	460	3,230	2,290	5,980	320	1,440
Persons Employed	47,560	-310	1,220	1,280	2,190	-180	490
Persons Unemployed	45,810	760	2,010	1,010	3,780	500	950
Unemployment Rate	1.3%	0.9%	1.9%	1.7%	1.5%	1.0%	2.0%
<b>Total jobs of all non-farm industries**</b>	-19,250	-1,170	-290	270	-1,190		
<b>Goods Producing Jobs</b>	-33,000	-840	-1,280	-410	-2,530		
<b>Service Producing Jobs</b>	13,750	-330	990	680	1,340		
Construction & Mining	-3,350	640	160	100	890		
All Manufacturing	-29,650	-1,480	-1,430	-510	-3,430		
Transportation, Communications & Public Utilities (TCPU)	-2,660	-80	140	50	100		
Wholesale Trade	-370	-160	-100	-30	-290		
Retail Trade	1,890	70	280	110	450		
Finance, Insurance, and Real Estate (FIRE)	2,840	-50	0	240	180		
Services	8,210	-110	200	10	100		
All Government	3,840	0	470	320	790		

\* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

\*\*Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

**Month and year ago change figures are rounded and may not sum to total**

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